GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2328
ANSWERED ON:14.03.2008
SETTING UP OF BANK BRANCHES
Rao Shri Sambasiva Rayapati

Will the Minister of FINANCE be pleased to state:

(a) the criteria adopted for setting up of new bank branches in different parts of the country; and

(b) the number of new bank branches set up during the last one year, State-wise?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) & (b): The Reserve Bank of India (RBI) under its branch authorization policy has given banks the freedom to select centres for opening of new branches. However, while granting approvals,RBI ensures that the approvals include centres in rural/underbanked districts also. Generally,all proposals for opening bank branches in underbanked districts/rural areas are considered favourably.Further, new private sector banks are required to ensure that at least 25% of their total branches are in semi-urban and rural centres on an on-going basis.

A Statement containing details of State-wise number of bank branches of Commercial Banks opened during the year 2006-2007 is annexed.